

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7495

BILL NUMBER: HB 1947

DATE PREPARED: Feb 27, 2001

BILL AMENDED: Feb 26, 2001

SUBJECT: Cy Pres in Charitable Trusts and Corporations.

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the following may bring an action under the Cy Pres doctrine against a charitable trust or corporation:

- (1) The settler of the trust.
- (2) A beneficiary of the trust or charitable corporation.
- (3) The Attorney General.
- (4) A donor to a charitable trust or charitable nonprofit corporation if the donor has contributed at least \$1,000 to the trust or corporation and the trust or corporation has solicited and received more than \$25,000 in public donations or public contributions.
- (5) A beneficiary of the charitable corporation.
- (6) A taxpayer of a governmental entity that has provided more than \$500,000 in subsidies, tax credits, or tax exemptions to the trust or charitable nonprofit corporation.

The bill allows a living heir of a donor of a charitable contribution to a trust or charitable corporation to present evidence of the intent of the donor of a charitable contribution.

Effective Date: July 1, 2001.

Explanation of State Expenditures: If the Attorney General's office were to choose to bring an action under a charitable nonprofit corporation under the Cy Pres doctrine, the Office's costs could increase. It is expected that any increase would be covered using existing staff and resources.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General's Office.

Local Agencies Affected:

Information Sources: